



OFFICE OF
**INSPECTOR
GENERAL**
UNITED STATES POSTAL SERVICE

HIGHLIGHTS

August 16, 2013

**New Castle and Greensburg, PA
Consolidation**

Report Number NO-AR-13-004

BACKGROUND:

This audit responds to a request from U.S. Senator Robert P. Casey, Jr. of Pennsylvania. The objective was to assess the consolidation of destinating mail processing (delivered and sorted in the local facilities jurisdiction) from the New Castle Processing and Distribution Facility - and the Greensburg Customer Service Mail Processing Center - into the Pittsburgh Processing and Distribution Center.

We also assessed compliance with established Area Mail Processing guidelines. All three facilities are in the Western Pennsylvania District of the Eastern Area. The New Castle Processing and Distribution Facility and the Greensburg Customer Service Mail Processing Center consolidations occurred in July and August 2013.

WHAT THE OIG FOUND:

A business case exists to support the consolidation, which should produce a cost savings of about \$3.3 million the first year and \$8.9 million annually in subsequent years.

Our analysis indicated that adequate machine capacity and floor space exists to process mail at the Pittsburgh P&DC; customer service has not been significantly impacted by the consolidation; delayed mail declined after the consolidation; no employees lost their job; overall efficiency at the

Pittsburgh Processing and Distribution improved; and established AMP guidelines were generally followed.

However, we found that the U.S. Postal Service did not terminate, seek buyout opportunities or sublet leases for facilities vacated as a result of the consolidation. Postal Service area and facility officials did not coordinate to ensure that leases associated with the vacated facilities were properly terminated or subleased. As a result, we are questioning \$978,954 in associated lease costs.

We also observed a security violation involving the safeguarding of Voyager eFleet cards used to purchase fuel or repair services for Postal Service vehicles at the Greensburg Post Office. As a result, we estimated that \$636,000 in assets could be at risk.

WHAT THE OIG RECOMMENDED:

We recommended the vice president, Eastern Area, direct the Western Pennsylvania District manager to coordinate with the Facility Service Office when rental space is vacated to ensure appropriate lease termination actions are taken; take action to sublease, buyout, or terminate lease agreements for vacated facilities; and ensure Voyager eFleet cards are stored in a secure manner.